

APPLICATION FOR A CONTRACT CARRIER PERMIT

(Continued)

Financial Responsibility Required by the Code of Virginia, Title 5.1, Chapter 1.

Title 5.1 Code of Virginia, §5.1-9.5. Contract carriers, bonds, insurance or certificates of insurance required prior to issuance of license or permit; securities deposition in lieu thereof.

A. No license or permit shall be issued by the Department to any contract carrier by aircraft until and after such contract carrier as filed with the Department an insurance policy, a bond underwritten by an insurer, or certificate of insurance in lieu thereof, which certificate shall certify that such policy or bond covers the liability of such contract carrier in accordance with the provisions of this statute.

B. Such policy, bond or certificate of insurance shall be issued or underwritten only by an insurer approved or authorized to do business in Virginia, or by one who is eligible as a surplus lines insurer pursuant to Chapter 48 (38.2-4800 et seq.) of Title 38.2 of the Code of Virginia, and shall be in amounts not less than the following minimum limits: liability for bodily injury to or death of any one person, passenger, or other, aboard the aircraft; seventy-five thousand dollars, liability for each occurrence in anyone aircraft of at least an amount equal to the sum produced by multiplying seventy-five thousand dollars by seventy-five percent of the total number of passenger seats installed in the aircraft; and liability for loss or damage to cargo owned by others than the insured of at least ten thousand dollars for each occurrence. However, the holder of a license or permit issued by the Department shall not be required to file any cargo insurance, bond, or bonds for cargo liability for the hauling of property transported under contract.

C. In no event shall the limits required herein for contract carriers be less than those prescribed for like carriers by the Civil Aeronautics Board or the Federal Aviation Administration or their successors.

D. In lieu of such policy, underwritten bond or certificate of insurance, a contract carrier may, with the consent of the Department, submit bonds, in an amount approved by the Department, of the United States of America, the Commonwealth of Virginia, or of any municipality of this Commonwealth as security for its bond. Such federal, State, or municipal bonds shall be deposited with the State Treasurer, and shall not be reduced in amount, pledged as security, or otherwise encumbered for any other purpose during the life of such license or permit, except with the prior written approval of the Department.

Applicant agrees that it will comply with the provisions of the Aviation Laws of Virginia as set out in Title 5.1 of the Code of Virginia, and 24 VAC 5-20-10 et set., the Regulations Governing the Licensing and Operation of Airports and Aircraft and Obstructions to Airspace in the Commonwealth of Virginia, as they pertain to Contract Carriers by aircraft.

Applicant encloses herewith a copy of the insurance policy(s), or other evidence of financial responsibility, covering all aircraft used in the service authorized by the sought permit and agrees to continue the required insurance in force and on file with the Department of Aviation and keep the Department of Aviation informed concerning any change in aircraft covered by the enclosed policy used in the service authorized by said Permit. Applicant further agrees that in the event of failure to keep the required insurance in effect, for any reason whatsoever, it will return promptly to the Department for cancellation the Permit covered by this application.

Enclose a check or money order made payable to the Treasurer of Virginia in the amount of \$50.00.

By

Signature

Title

Date

